

The Commonwealth Grows

Volume 4, Issue 3

Fall 2004

Governor's Office of Agricultural Policy

Letter of Welcome

Did You Know?

- 35% Agricultural Development Funds allocated to 118 counties, based on tobacco dependency.
- 80% of the County Funds have been invested in Model Programs, which provide cost-share funds for individual producers.
- 65% Agricultural Development Funds allocated to state investments.
- 32% of the state allocation is for projects.

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On behalf of the state Agricultural Development Board and our staff in the Governor's Office of Agricultural Policy, I am pleased to welcome the new members of County Agricultural Development Councils across the Commonwealth. Also, I welcome back those veteran members who decided to commit their time and energy for another two years to this historic process to revitalize Kentucky's agricultural economy.

In the coming months, you will continue to see a focus on the compliance and reporting side of the Agricultural Development Fund. Reporting is a critical component of any program, and it must be administered with the highest levels of integrity and accountability, aiming for the highest returns on investment, to maintain the public faith in this effort. Nevertheless, as with any program using public funds, we must be good stewards of those funds and work to assure the funds are being used in the most effective and efficient way possible.

We look forward to your service on your county council, and we appreciate your willingness to share your leadership resources with the farmers in your county and those across the state. Please feel free to contact our office, especially your regional contact here, should you ever have any concerns or questions about the Agricultural Development Fund policies and programs.

Kentucky has made history by investing half of the Master Settlement Funds to diversifying agriculture. Yet, this investment could not sustain without the commitment of the thousands of people at the local level involved in this effort. It has been the individual investments of time, leadership, and entrepreneurship that will ensure the future of the Commonwealth's financial investment in its farm families and rural communities.

Again, welcome to your new leadership role.

Sincerely,



Keith L. Rogers

Executive Director / CEO



Agricultural Development Fund Investments

Kentucky's General Assembly made a historic effort in 2000 to diversify away from tobacco production, while revitalizing the farm economy by investing 50% of Kentucky's Master Settlement Agreement into the Kentucky Agricultural Development Fund.

In the last three months, over \$3.39 million of Agricultural Development Funds have been invested in Kentucky's agricultural diversification effort. This brings the total investment to date to over \$165 million in an array of county, regional, and state projects designed to increase net farm income and create sustainable new farm-based enterprises.

The following are projects receiving Agricultural Development Funds between August and October 2004, representing 14 of the 1,850 projects that have been approved since 2001.

Agriculture Marketing Institute

KCADE Funds: \$22,700.00

Award Date: April 2004

Agriculture Marketing Institute, Inc. was approved for \$22,700 in KCADE funds to assist in a feasibility study to explore the opportunities, challenges, risks and value associated with the construction and operation of an ethanol facility in the Meade County area.



KY is ranked 2nd in the U.S. for number of goats raised.

Barren River Regional Livestock Center, LLC

County Funds: \$15,000

Award Date: September 2004

Barren River Regional Livestock Center, LLC was approved for \$15,000 in Warren County funds to assist with the cost of installing holding pens specifically designed to contain goats.

Breckinridge County Soil Conservation District

County Funds: \$40,000

Award Date: September 2004

Breckinridge County Soil Conservation District was approved for \$40,000 to continue a cost-share lime program in Breckinridge County.

Breathitt County Conservation District

County Funds: \$4,673

Award Date: September 2004

Breathitt County Conservation District was approved for \$4,673 in Breathitt County funds to purchase shared-use equipment to be used by small farmers in the county.

Buffalo Trace Area Development District

County Funds: \$600

Award Date: August 2004

The Buffalo Trace Area Development District, on behalf of the Fleming County Farmers' Market Association, was approved for \$600 in Fleming County funds for the advertising and promotion of the new farmers' market in Fleming County.

Cave Region Agritourism, Inc.

County Funds: \$22,500

Award Date: September 2004

Cave Region Agritourism, Inc. was approved for \$500 each in Warren, Monroe, Edmonson, and Barren, \$750 in Allen County funds, as well as \$19,750 in state funds to assist in implementing a regional marketing education plan designed to increase revenue of farm based tourism enterprises.



Chaney's Dairy Barn, Inc.

County Funds: \$10,000

Award Date: September 2004

Chaney's Dairy Barn, Inc. was approved for \$10,000 in Warren County funds to support the newly constructed Dairy Barn facility that will serve as a marketing outlet for Kentucky products.

ADB Approves Two Competitive Award Programs for 2005...

Agricultural Development Fund Investments

Jefferson County Farm Bureau

County Funds: \$4,000

Award Date: September 2004

Jefferson County Farm Bureau, Inc. was approved for \$4,000 in Jefferson County funds to support the Ohio Valley Harvest Festival. The Festival pairs producers with restaurants, and the chefs prepare dishes, which are then sold to the public.



Customers visit stands setup at the Ohio Valley Harvest Festival

Meade County Grain Growers

County Funds: \$12,643

Award Date: August 2004

The Meade County Grain Growers, Inc. was approved for \$12,643 in Meade County funds to continue a cost-share program for crop consultation to grain producers in Meade County.

Owen County 4-H Council

County Funds: \$45,364

Award Date: August 2004

The Owen County 4-H Council was approved for \$45,364 in Owen County funds to establish a cost-share program for 4-H students interested

in agriculture. Participants in the program will be required to participate in an intensive educational program and have an adult mentor.

Owen County High School Agriculture Department

County Funds: \$79,950

Award Date: August 2004

The Owen County High School Agriculture Department was approved for \$79,950 in Owen County funds to equip the High School agri-science lab with instructional modules and related materials.

Pulaski County Horticulture Association

County Funds: \$25,000

Award Date: September 2004

Pulaski County Horticulture Association was approved for \$25,000 in Pulaski County funds to administer a cost-share fruit program to producers starting or expanding a fruit production operation.

Pulaski County Horticulture Association, Inc.

County Funds: \$25,000

Award Date: September 2004

Pulaski County Horticulture Association was approved for \$25,000 in Pulaski County funds to administer a cost-share vegetable program to producers starting or expanding a vegetable production operation.



Freshwater Prawns at harvest

Southern Kentucky Aquaculture Cooperative, Inc.

County Funds: \$3,000

Award Date: August 2004

Southern Kentucky Aquaculture Cooperative, Inc. (SKAC) was approved for \$1,500 in Grayson and \$1,500 in Edmonson County funds to purchase additional harvest equipment for members of the cooperative to use for harvesting freshwater prawn.

Growing new Kentucky markets with horticulture production



...See page 6 for details about these New Awards Programs.

Governor's Office of Agricultural Policy

Welcome New Staff

Two new faces have joined the team at the Governor's Office of Agricultural Policy. We are excited about our newest team members and hope that you will welcome them.

Lucinda Pease

Records Mgr. / Project Analyst

Lucinda graduated from Morehead State University in May 2004 with a BS in Agricultural Science. She was previously employed by The Peoples Bank of Fleming County. She currently serves as the Licking River Region representative for the State FFA Alumni.

"I look forward to working with the people across the state and helping to advance the future of agriculture in Kentucky," stated Lucinda.

Lucinda resides in Fleming County with her husband Robert Pease, who teaches agriculture at Fleming County High School.

Nick Whobrey

Project Analyst

Nick, a Hardin County native, was raised on a tobacco and cattle farm. He graduated from the University of Kentucky in December 2003 with a BS degree in Agriculture. Nick worked for SodWorks, LLC, a sod farm in Lexington after graduation.

"Agriculture has always been a part of my life", stated Nick, "but I never imagined that it

would provide me with an opportunity to work for the Governor and help people across the Commonwealth."

Nick currently lives in Lexington and is a member of the Kentucky Farm Bureau.

Project Analysts by County

In light of these staff changes, there have also been changes to the Project Analysts' county assignments.

Adair	Maggie May
Allen	Bill McCloskey
Anderson	Stephen Yates
Ballard	Nick Whobrey
Barren	Bill McCloskey
Bath	Lucinda Pease
Bell	Nick Whobrey
Boone	Nick Whobrey
Bourbon	Stephen Yates
Boyd	Lucinda Pease
Boyle	Stephen Yates
Bracken	Nick Whobrey
Breathitt	Nick Whobrey
Breckinridge	Bill McCloskey
Bullitt	Stephen Yates
Butler	Bill McCloskey
Caldwell	Nick Whobrey
Calloway	Nick Whobrey
Campbell	Nick Whobrey
Carlisle	Nick Whobrey
Carroll	Nick Whobrey
Carter	Lucinda Pease

Casey	Bill McCloskey
Christian	Nick Whobrey
Clark	Stephen Yates
Clay	Maggie May
Clinton	Maggie May
Crittenden	Nick Whobrey
Cumberland	Maggie May
Daviess	Bill McCloskey
Edmonson	Bill McCloskey
Elliott	Lucinda Pease
Estill	Stephen Yates
Fayette	Stephen Yates
Fleming	Nick Whobrey
Floyd	Maggie May
Franklin	Stephen Yates
Fulton	Nick Whobrey
Gallatin	Nick Whobrey
Garrard	Stephen Yates
Grant	Nick Whobrey
Graves	Nick Whobrey
Grayson	Bill McCloskey
Green	Maggie May
Greenup	Lucinda Pease
Hancock	Bill McCloskey
Hardin	Bill McCloskey
Harlan	Maggie May
Harrison	Stephen Yates
Hart	Bill McCloskey
Henderson	Bill McCloskey
Henry	Stephen Yates
Hickman	Nick Whobrey
Hopkins	Nick Whobrey
Jackson	Maggie May

Governor's Office of Agricultural Policy

Jefferson	Stephen Yates	Muhlenberg	Nick Whobrey
Jessamine	Stephen Yates	Nelson	Bill McCloskey
Johnson	Maggie May	Nicholas	Stephen Yates
Kenton	Nick Whobrey	Ohio	Bill McCloskey
Knott	Maggie May	Oldham	Stephen Yates
Knox	Maggie May	Owen	Nick Whobrey
Larue	Bill McCloskey	Owsley	Maggie May
Laurel	Maggie May	Pendleton	Nick Whobrey
Lawrence	Maggie May	Perry	Maggie May
Lee	Maggie May	Pike	Maggie May
Leslie	Maggie May	Powell	Stephen Yates
Letcher	Maggie May	Pulaski	Maggie May
Lewis	Nick Whobrey	Robertson	Nick Whobrey
Lincoln	Stephen Yates	Rockcastle	Maggie May
Livingston	Nick Whobrey	Rowan	Lucinda Pease
Logan	Bill McCloskey	Russell	Maggie May
Lyon	Nick Whobrey	Scott	Stephen Yates
Madison	Stephen Yates	Shelby	Stephen Yates
Magoffin	Maggie May	Simpson	Bill McCloskey
Marion	Bill McCloskey	Spencer	Stephen Yates
Marshall	Nick Whobrey	Taylor	Maggie May
Martin	Maggie May	Todd	Nick Whobrey
Mason	Nick Whobrey	Trigg	Nick Whobrey
McCracken	Nick Whobrey	Trimble	Stephen Yates
McCreary	Maggie May	Union	Bill McCloskey
McLean	Bill McCloskey	Warren	Bill McCloskey
Meade	Bill McCloskey	Washington	Bill McCloskey
Menifee	Lucinda Pease	Wayne	Maggie May
Mercer	Stephen Yates	Webster	Bill McCloskey
Metcalfe	Bill McCloskey	Whitley	Maggie May
Monroe	Bill McCloskey	Wolfe	Maggie May
Montgomery	Lucinda Pease	Woodford	Stephen Yates
Morgan	Maggie May		

County Model Cost-share Programs

Cumulative Totals
January 2001– October 2004

Agricultural Diversification

Est. September 2001

\$9,566,532

84 Counties

Cattle Genetics

Est. February 2001

\$9,759,991

104 Counties

Cattle Handling

Est. June 2001

\$14,906,287

100 Counties

Fencing Improvement

Est. March 2003

\$4,488,512

49 Counties

Forage Improvement

Est. March 2001

\$17,656,546

101 Counties

Goat Diversification

Est. August 2001

\$3,038,135

86 Counties

Hay, Straw & Commodity Storage

Est. November 2002

\$12,200,279

84 Counties

On-Farm Water Enhancement

Est. March 2003

\$876,707

14 Counties



Competitive Awards Programs: Agri-tourism & Farmers' Markets

During the Agricultural Development Board's two-day planning meeting in October, the Board adopted the following definition for agri-tourism:

Agri-tourism - any economic activity that occurs on a farm for the enjoyment or education of the public to promote agricultural products, services, or experiences, which generate additional farm income.

The Board established a \$1.0 million competitive funding program for agri-tourism businesses and regional agri-tourism marketing efforts. Applications for the

competitive awards will be accepted in two rounds in **2005: February 1** and **August 1**. Applications will be scored according to a pre-determined, specified criteria, of which highest points will be awarded to projects that show viability and have significant impact on multiple producers.

General Agri-tourism Guidelines

- \$500,000 per round
- 50% match
- Scoring criteria

Regional Agri-tourism Organizations

- \$50,000 max., as a grant, for marketing & promotion

At its September Board meeting, the Agricultural Development Board heard recommendations from the "Farmers' Market Development Committee," regarding **regional and community farmers' markets**.

During the Board's two-day planning meeting in October, they formally accepted the definitions of regional and community farmers' markets from the Committee's report. To address several of the report's recommendations, the Board established a **competitive grant program** for Regional and Community Farmers' Markets, as well as for regional market feasibility studies.

Applications for the competi-

tive grants will be accepted in two rounds in **2005: January 1** and **July 1**. A total of \$1.5 million was allocated to this competitive grant program: \$975,000 (65%) for regional markets, \$375,000 (35%) for community markets, and \$150,000 for market feasibility studies (10%). Requests for regional markets over \$100,000 will be required to have a completed feasibility study.

Regional Farmers' Markets

- 25% of total project costs must be county contributions from two or more counties
- 25% of total project costs eligible for state funds if there is 25% county commitment
- 50% matching funds

Agri-tourism Businesses

- \$50,000 max., as a forgivable loan
- Up to 1/2 cost of facilities or equipment
- Marketing & promotion activities, not to exceed 10% of the request/award
- The following requests will not be entertained: operating funds, paving parking lots, motorized vehicles, land, livestock, overnight lodging for rent, pay lakes, docks, horse trails, hiking trails, and swimming pools or hot tubs.

For more information beyond these basic guidelines, please refer to GOAP's web site at agpolicy.ky.gov or call (502) 564-4627.

Community Farmers' Markets

- 25% of total project costs must be county contribution
- \$50,000 maximum for those with a 25% county commitment
- 50% matching funds by applicant

Feasibility / Business Plan

- Both regional and community markets eligible
- Applications with county commitments will be weighed more, as part of the competitive application
- County and state funds cannot exceed 50% of the total cost

Phase II: 2004 Payee List Now Available

The Phase II payee list is made available to provide Phase II applicants and recipients assurances that they are on the list to be paid in the 2004 Phase II distribution. This year Kentucky's estimated share of the Phase II trust is \$125.6 million. On November 15, 2004 the KTSTC will be notified by the Trustee of the exact amount available for distribution this year.

In previous years, the payee list was mailed to all 93 USDA

Farm Service Agency offices and 118 County Cooperative Extension offices. Individuals had to drive to these offices if they wanted to see if they were on the list to be paid. Now, individuals can ensure they are on the list by simply going to the Phase II website at <http://tobaccotrust.ky.gov>

The payee list includes the following:

- Crop Year 2003 Quota Owners who returned their 2004

claim forms postmarked by the September 20 deadline

- Those who were successfully certified under this summer's 2004 Phase II Amnesty Program
- Individuals who received payment last year for the Growing Farm and Tenant portions

Questions regarding the payment list should be directed to the convenient toll-free Help Line at 1-877-549-2537.

Buyout Update

After eight years and countless hours work by Kentucky's agricultural leaders we have finally reached the goal, the Tobacco buyout has passed Congress and has been signed by President Bush

House Resolution 4520 passed through the U.S. House of Representatives on Thursday, October 7 to a 280-141 vote, and Monday, October 11 in the U.S. Senate on a vote of 69-17. This \$10.1 billion buyout of the tobacco industry will allow Kentucky's tobacco farmers to transition from the antiquated federal tobacco program.

Kentucky's tobacco quotas have tumbled nearly 60 percent since 1997, and tobacco growers worried the quota would fall even further in 2005. The buyout will provide approximately 100,000 Kentucky tobacco quota holders

payment over the next ten years. The payments will be based upon the 2002 quota allotments, with quota owners receiving \$7 per pound and growers receiving \$3 per pound. People who both own quota and grow tobacco would get \$10 a pound.

This is a strong bipartisan bill that was created by many individuals who have a stake in Kentucky's agriculture industry and represents how dedication and cooperation can help us to achieve our goals.

As producers and leaders in Kentucky's agricultural community we too must be dedicated to ensuring this transition moves Kentucky's agricultural economy forward. The tobacco buyout provides transition assistance for producers to get out of tobacco production, while creating a free-

market system for those who choose to continue to grow tobacco.

Kentucky's agricultural community must continue to work toward building a strong and vibrant agricultural economy, and with financial resources from the buyout, the Agricultural Development Fund and the Agricultural Finance Corporation we have an amazing opportunity, if we work together.

The golden age of tobacco may be over in Kentucky, but the golden age of Kentucky agriculture is in front of us.

For more information on the buyout visit the USDA website at <http://www.fsa.usda.gov/buyout/>

Kentucky Agricultural Finance Corporation

History

Kentucky Agricultural Finance Corporation (KAFC) was created by statute in 1984. In 2002, the Kentucky Agricultural Development Board, as part of the Long-term Plan for Agriculture Development, recommended that KAFC be restructured to provide capital access for agricultural diversification and infrastructure projects. In keeping with that priority, KAFC was awarded Agricultural Development Funds in July 2003 to accomplish its mission.

During the 2004 General Session House Bill 146 was approved, moving the administration of KAFC to the Governor's Office of Agricultural Policy. This legislation also moved the administration of the Linked Deposit Investment Program into the KAFC.

Current Programs

KAFC is working to develop and market new loan opportunities to producers to purchase their first farm or provide access to capital for an existing operation. Currently, KAFC has four capital access programs available to producers and processors in Kentucky:

Agricultural Endeavors Lease Program—

provides incentives for value-added agricultural processors to locate in Kentucky and to buy Kentucky grown commodities.

Investment Fund for Agriculture—

provides competitive interest rates for value-added agricultural borrowers.

Linked Deposit Investment Program—

provides financing assistance to any person or entity in Kentucky engaged in an agricultural endeavor.

Young Farmer Loan Program—

provides assistance to Kentucky's young farmers wishing to acquire or expand farmland for production agriculture.

For more information regarding KAFC and its capital access programs, contact Tim Hughes or your area Project Analyst at

Kentucky Agricultural Finance Corporation

404 Ann Street

Frankfort, KY 40601

(502) 564-4627

Board of Directors

Statutory Members:

Richie Farmer

Agriculture Commissioner

Robbie Rudolph

Finance and Administration
Secretary

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Director
KSU Land Grant Program

Wayne Hunt

Cash grain farmer
Christian County

Billy Hurd

Agricultural Loan Officer
and Livestock Farmer
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Jane Jones

Financial Services Officer
Warren County

Doug Lawson

Commercial Lender
Calloway County

Billy Joe Miles

Tobacco farmer
Daviess County

Charles Miller

Livestock farmer
Jessamine County

Bob D. Proffitt

Horticultural producer
Oldham County

Sandy Ross

Commercial Lender
Barren County

Annette Walters

Fmr Commercial Lender
Mason County

The KY Agricultural Development Fund: A Closer Look

In 2000 Kentucky made history investing 50% of Kentucky's Master Settlement Agreement Funds into diversifying agriculture and revitalizing the farm economy by creating the Kentucky Agricultural Development Fund. The Agricultural Development Fund is focused on investing in the agriculture community on a county and state level with 65% of funds set aside for state-level programs and 35% for county-level projects.

The 35% allocation for county-level projects is based upon the tobacco dependency of the county. Only two counties-Pike and Knott-do not receive Agricultural Development Funds. For a monthly update on county account balances visit our website at <http://agpolicy.ky.gov/funds/>.

The money used to fund state grant projects accounts for only one of a variety of agricultural enhance-

ment projects earmarked from the 65% of the state-level Agricultural Development Funds.

A significant portion of the state-level fund is allocated in the state budget for conservation programs each fiscal year. Every year for the past four years \$9 million has been disbursed to the Department of Natural Resources for environmental cost-share programs. Money to pay for water line extension bonds is another sizable allocation of state-level funds, with an estimated \$9.1 million earmarked for fiscal year 2004. Farmland preservation has also benefited from the state-level funds. An estimated \$2 million each fiscal year goes toward a bond issued for Farmland Preservation in 2000, which benefits both Purchase of Agriculture Conservation Easements (PACE) and Fayette Co. Purchase of Development Rights.

In 2003, the General Assembly line-itemed bonuses out of the state-

level funds for our local extension agents recognizing their increased responsibilities. Due to the budget constraints faced by the entire Commonwealth, about \$1.1 million was line-itemed out of state-level Agricultural Development Funds to help with the budget deficit. In addition to these reductions, the administrative budget for the Governor's Office of Agricultural Policy and Kentucky Center for Agricultural Development and Entrepreneurship was kept at the same level for each year.

These and other legislative reductions have resulted in significantly less than the 65% of state-level Agricultural Development Funds available for funding grants that have a state-wide impact. The first eight items in the chart below represent an itemization of the state portion (65%).

Agricultural Development Fund Budget for Fiscal Year 2004

\$35,457,500 State-level Funds (65% of ADF Allotment)

\$9,000,000	Environmental Cost-share Assistance*
\$5,000,000	Water-line Extension Bond Issue: Debt Service (2003 Authorization)*
\$4,096,000	Water-line Extension Bond Issue: Debt Service (2000 Authorization)*
\$ 513,300	Budget Reduction Orders*
\$2,020,000	Farmland Preservation Bond Issue: Debt Service (2000 Authorization)*
\$1,600,000	Merit-based Bonuses: Cooperative Extension Agents*
\$734,700	Administrative Support*
\$12,493,500	State-level Agricultural Development Projects

\$19,092,500 County-level Funds (35% of ADF Allotment)

* Legislatively mandated line items; the Agricultural Development Board does not have budgetary authority over these items.

ADF Investment Updates

Heifer Development Project

Finding alternative uses for reclaimed mine land often is a challenge, but on D & D Ranch in Perry County reclaimed mine land is the site of the progressive Eastern Kentucky Heifer Development Center.

Consignors have been bringing spring-born beef heifers to D & D since the heifer development program began in 1998. This past October over 500 spring-born beef heifers from 80 consignors were enrolled for the seventh year program.

A reclaimed strip mine provides a home for Heifer Development cattle.



Charles May, Perry County Agriculture and Natural Resource Extension Agent, said all heifers go through



the same vaccination schedule and no growth hormone implants are allowed. The goal for the program is to market a set of heifers that can be grouped to calve within a 45 to 60 day period, so an estrous synchronization program is recommended, but it's not mandatory.

Since 2001, the heifer program has received \$139,580 in county and state Agricultural Development Funds which have been used to help automate the feeding system, hire a heifer manager, and make other improvements to allow the program to handle more cattle.

Larry Clay, ranch manager at D & D, said in many eastern Kentucky counties beef programs are small be-

cause the land simply won't support good grazing. Clay believes that the program is helping these producers improve the prices and quality of the cattle they do average.

"We've got some good producers with limited numbers of cattle but they are good quality cattle," Clay said. "They want to do a good job even if they only have 15 to 20 cows."

The program participation has increased every year, and May believes it's because the word is getting around about the improved quality of previous years participants.

"Local livestock sale barn owners have been telling us they can



Larry Clay, D & D Ranch Manager

really see a difference in the quality of animals going through there and they give us a lot of credit for that," he said. "They say this program has really had an impact on the overall quality of cattle in eastern Kentucky."

May said the heifers' progress is followed even after they leave the sale ring or go back home. Project coordinators contact buyers and ask them how the calving process went and if they are satisfied with the animal they purchased. The evaluations help improve and adjust the heifer development program for future years.

Credits: Aimee Nielson, UK Ag Communications; Charles May, UK Cooperative Extension Service; Larry Clay, D & D Ranch

Sixth annual East Kentucky Replacement Bred Heifer

Sale was held Saturday, September 18 at the Lee County Stockyards. At the sale 142 heifers sold for an average of \$1,073 per head, with the top price of \$1,500 for a registered Angus. Eighty artificially inseminated heifers sold for an average price of \$1,102, and 62 natural bred heifers sold for an average price of \$1,037. Sale results for the individual breeds:

Angus: 49 head sold / \$1158 average
 Angus Cross: 48 head sold / \$1115 average
 Charolais: 4 head sold / \$870 average
 Charolais Cross: 27 head sold / \$913 average
 Gelbvieh & Gelbvieh Cross: 5 head sold / \$1045 average
 Simmental Cross: 4 head sold / \$1043 average
 Limousin Cross: 4 head sold / \$938 average
 Hereford: 1 head sold / \$900 average

ADF Investment Updates

Buffalo Trace Hay & Produce Auction Opens

Farmers in the Buffalo Trace Area no longer are limited to just auctioning their tobacco and cattle. With the grand opening of the Buffalo Trace Produce and Hay auction in Mason County, producers are bringing in vegetables, bedding plants and fruit to put on the auction block.

In the fall of 2003 the Kentucky Agricultural Development Board approved a \$220,000 grant to the Commodity Growers Cooperative to establish and build the Buffalo Trace Produce and Hay Auction Facility. The Commodity Grower's Coopera-



Agents and County Council members from the Buffalo Trace Counties proudly pose in front of the auction building.

tive Association, in cooperation with local agricultural leaders, worked this past summer overseeing the construction of the facility. On September 30, the grand opening for the Produce and Hay Auction was held with over 100 area producers and agricultural leaders in attendance.

The Commodity Growers Cooperative will promote, market, and manage the day-to-day operations of the auction and work with local producers to help identify marketing opportunities for their products.

"The Buffalo Trace Area is the most tobacco dependent area in the state," said Rick Alexander, Commodity Growers Cooperative. "The Auction will give farmers a much needed market for other alternative crops, such as bedding plants, flowers, apples, sweet corn, tomatoes, mums, pumpkins, watermelon, hay, ear corn, and any other farm grow product."

The first produce and hay auction was held on October 9 at the



Potential buyers view the products available for bidding, during the first auction.

new facility. "We are just getting started this fall, but we hope to have over \$250,000 in sale next year," said Tracy Webb, Commodity Growers Cooperative.

With their first couple of auctions under their belt, the staff of Commodity Growers Cooperative is gearing up for the fall and winter auctions. To find out more about the dates and times for the upcoming Buffalo Trace Hay and Produce Auctions contact the Commodity Growers Cooperative at (859) 233-7845 or visit the Buffalo Trace Auction website at www.buffalotraceauctions.com.



Save the Date: KADF 3rd Annual Meeting



To spread the word of program and policy changes made for 2005, the Agricultural Development Board will hold its **Annual Meeting** on **Thursday, January 20**.

Specific details, such as time, location, and the agenda will be communicated at a later date. The target audience for this event are the County Agricultural Development Councils, Cooperative Extension Agents who work with the Councils, and Program Administrators. Projects funded with Agricultural Development Funds will be invited to showcase their projects.

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The **Governor's Office of Agricultural Policy (GOAP)** provides a direct link between the Governor and one of the Commonwealth's most important industries. GOAP administers the Kentucky Agricultural Development Board (Phase I), the Kentucky Tobacco Settlement Trust Corporation (Phase II), and the Kentucky Agricultural Finance Corporation (KAFC), as well as other Boards and Commissions.

GOAP is dedicated to doing all that it can to develop and implement agricultural development policies that result in a brighter future for Kentucky.

VISIT US ON THE WEB AT

[HTTP://AGPOLICY.KY.GOV](http://agpolicy.ky.gov)

Governor's Office of Agricultural Policy
404 Ann Street
Frankfort, KY 40601



**Making a difference,
one producer at a time.**

\$155 million
in Agricultural Development Funds
have already made an impact on
Kentucky producers.



50% of Kentucky's Tobacco Settlement Fund is being invested into agriculture for diversification and market development. The Kentucky Ag producer is better able to meet the challenges facing the future of farming.
To learn more, visit kybeef.com, westkentuckygrowers.com and otherwhitemeat.com

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